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Held at the Westin Lima Hotel and Convention Center, Lima, on Tuesday, 3 December 2013, at 10.30 a.m.

Chair: Mr. Brennan ..... (Ireland)

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The meeting was called to order at 10.50 a.m.

Organization of work

1. **The Chair** said that the Committee would be discussing items 7-21 of the Conference agenda. On a number of draft decisions for consideration by the Committee, consensus had already been reached in informal consultations; those texts were contained in document GC.15/CRP.2. Four draft resolutions that had been submitted during those consultations were also contained in that document. Some other proposed texts had recently been circulated informally; they included a draft text concerning item 10 (b), which was contained in paragraph 18 of document GC.15/14, and two others, concerning item 14, "Lima Declaration and Plan of Action 2013", and item 17, "UNIDO activities related to the Vienna Ministerial Declaration and Plan of Action of the Least Developed Countries and to cooperation with middle-income countries". The Committee would also be required to adopt a decision on item 21, "Date and place of the sixteenth session".

2. He requested participants to refrain from making statements of princ le and only to comment on the specific texts under consideration, in order to enable the Committee to proceed quickly.

Election of officers

3. **The Chair** said it had been suggested that the Vice-Chairs be nominated by the African Group, the Asian Group, the Group of Latin American and Caribbean States (GRULAC) and the States in List D. He understood that the African Group had nominated Mr. Chemakh (Algeria), GRULAC Mr. Fletcher (Saint Lucia) and the States in List D Mr. Voronkov (Russian Federation).

4. *Mr. Chemakh (Algeria), Mr. Fletcher (Saint Lucia) and Mr. Voronkov (Russian Federation) were elected Vice-Chairs of the Committee by acclamation.*

UNIDO activities related to the Vienna Ministerial Declaration and Plan of Action of the Least Developed Countries and to cooperation with middle-income countries (GC.15/8 and GC.15/9)

5. **Mr. Asfaw** (Ethiopia), speaking on behalf of the least developed countries (LDCs), introduced a draft resolution submitted by the Ministerial Conference of the Least Developed Countries. In the draft resolution, the LDCs stressed that poverty eradication remained their central imperative and that inclusive growth would not be possible without systematic and structural changes in the LDCs and the necessary international support. The LDCs renewed their commitment to structural transformation of their economies with a view to achieving sustainable development with the support of development partners, and invited all development partners to give UNIDO adequate funding in order to ensure the full implementation of its operational strategy for achieving inclusive and sustainable industrial development in the LDCs.

6. **The Chair** invited comments on the draft resolution.

7. **Ms. Algabre** (Philippines) expressed support for the draft resolution but sought clarification as to whether the Operational Strategy referred to in the second operative paragraph[1] was the UNIDO LDC Strategy and Operational Plan for the Least Developed Countries, 2012-2020, mentioned in General Conference resolution GC.14/Res.6 (see document GC.14/INF.4).

8. **The Chair** said that clarification would be provided when the Main Committee returned to its discussion of the draft resolution at a later stage.

Lima Declaration and Plan of Action 2013 (GC.15/13)

9. **Mr. García Revilla** (Peru) introduced a draft resolution entitled "UNIDO and the post-2015 United Nations development agenda negotiations", sponsored by Belarus, Costa Rica, Ecuador, Kazakhstan, Mexico and Peru. The draft text was intended to ensure that UNIDO remained seized of developments with regard to the post-2015 development agenda.[2]

10. **The Chair** invited comments on the draft resolution.

11. **Mr. Swaminathan** (India), stressing the importance of proper follow-up to the Lima Declaration, said that industrial development should be seen as a universal goal in the context of the post-2015

[1] For a better understanding of the discussion, see the text of the relevant draft resolution on item 17 subsequently approved by the Committee and reproduced in document GC.15/L.2/Add.1.

[2] See the text of the draft resolution on item 14 subsequently approved by the Committee (GC.15/L.2/Add.1).

development agenda. He therefore proposed that, the text should call for the appropriate reflection of industrial development as one of the goals in the relevant processes relating to the post-2015 agenda.

12. **The Chair** said that the draft resolution was still being discussed in informal consultations and would be dealt with in detail at a later stage.

Financial matters

(a) Scale of assessments of Member States (GC.15/CRP.2; IDB.41/6/Rev.1; IDB.41/Dec.9)

13. **The Chair** invited comments on the draft decision on agenda item 10 (a) contained in chapter II.A of document GC.15/CRP.2.

14. *The draft decision on agenda item 10 (a) in document GC.15/CRP.2 was adopted for recommendation to the plenary.*

(b) Financial situation of UNIDO (GC.15/11; GC.15/CRP.1 and GC.15/CRP.2)

15. **The Chair** invited comments on the draft decision on item 10 (b) in document GC.15/CRP.2.

16. *The draft decision on item 10 (b) in document GC.15/CRP.2 was adopted for recommendation to the plenary.*

(c) Working Capital Fund (GC.15/CRP.2; IDB.41/7; IDB.41/Dec.10)

17. **The Chair** invited comments on the draft decision on item 10 (c) in document GC.15/CRP.2.

18. *The draft decision on item 10 (c) in document GC.15/CRP.2 was adopted for recommendation to the plenary.*

(d) Financial regulations (GC.15/CRP.2; IDB.41/14; IDB.41/Dec.11)

19. **The Chair** invited comments on the draft decision on item 10 (d) in document GC.15/CRP.2.

20. *The draft decision on item 10 (d) in document GC.15/CRP.2 was adopted for recommendation to the plenary.*

Programme and budgets, 2014-2015 (GC.15/CRP.2; IDB.41/5 and Add.1; IDB.41/Dec.12)

21. **The Chair** invited comments on the draft decision on item 11 in document GC.15/CRP.2.

22. **Mr. Barrera López** (Spain) proposed that the following words be added at the end of paragraph (a) of the draft decision: "and requests the Director General to brief the Member States regularly and to report to the Board at its forty-second and forty-third sessions through the Programme and Budget Committee on its implementation." The words "Takes note" alone did not express the action sought by Member States.

23. **Mr. Colapinto** (Italy), expressing support for that proposal, said that it would be useful for Member States to learn how implementation of the measures set out in the draft decision would ensure that the future activities of UNIDO were financially more sustainable.

24. **Mr. Uskov** (Russian Federation) said that, while his delegation supported the proposal made by the representative of Spain, it would like clarification as to how such reporting should best be done.

25. **Mr. Yamamoto** (Japan) and **Mr. Otruba** (Slovakia) endorsed the comments of the previous speakers.

26. **Mr. Ulbrich** (Director, Financial Services Branch) said that the Secretariat's reporting obligations with respect to financial matters were usually channelled through the Programme and Budget Committee to the Industrial Development Board. He expressed concern that if a deadline for reporting on the programme and budgets for the biennium 2014-2015 was set too early, the reporting would not reveal much. Since the next session of the Programme and Budget Committee would be in early 2014, he wondered how meaningful any information supplied would be.

27. **Mr. Uskov** (Russian Federation), supported by **Mr. Colapinto** (Italy) and **Mr. Barrera López** (Spain), said that, if it was feasible, reporting on initial progress would enable Member States to raise any questions they might have.

28. **The Chair** said that, if he heard no objection, he would take it that the Committee wished to adopt the amendment proposed.

29. *The draft decision on item 11 in document GC.15/CRP.2, as amended, was adopted for recommendation to the plenary.*

Medium-term programme framework (GC.15/CRP.2; IDB.41/8; IDB.41/Dec.13)

30. **The Chair** invited comments on the draft decision on item 12 in document GC.15/CRP.2.

31. **Ms. Mabitje-Thompson** (South Africa), supported by **Mr. Schmiedchen** (Germany) and **Ms. Polo Flórez** (Colombia), said that the medium-term programme framework should take into account the "Lima Declaration: Towards inclusive and sustainable industrial development".

32. **The Chair** suggested that the words "and the Lima Declaration" should be included following the words "entitled 'Strategic Guidance Document'" in paragraph (e) of the draft decision.

33. **Mr. Schmiedchen** (Germany) and **Mr. Uskov** (Russian Federation) thought that the reference to the Lima Declaration should appear before the reference to the Strategic Guidance Document.

34. **The Chair** suggested that the text should read "... taking into account the Lima Declaration, the recommendations of the outcome document ... 'Strategic Guidance Document' and".

35. **Mr. Schmiedchen** (Germany) proposed that the words "and, as appropriate," should be added before the words "the recommendations of the ... 'Strategic Guidance Document'".

36. **Mr. Matter** (Switzerland) thought that there was no need to add the words "and, as appropriate".

37. **Ms. Polo Flórez** (Colombia) said that the reference to the Lima Declaration should give the Declaration's full title. Secondly, she agreed with the representative of Switzerland: all the recommendations contained in the Strategic Guidance Document should be taken into account.

38. **Mr. Uskov** (Russian Federation) concurred. It would be sufficient to refer to the "recommendations of the outcome document ...".

39. **Mr. Radosztics** (Austria), supported by **Ms. Mabitje-Thompson** (South Africa), agreed, and asked which of the recommendations in the Strategic Guidance Document were not appropriate.

40. **Mr. Swaminathan** (India), supported by **Mr. Choi** Kicheon (Republic of Korea), said that the full title of the Lima Declaration should be used.

41. **Mr. Schmiedchen** (Germany) said that he withdrew his proposal. However, in his view, all recommendations relating to management should be implemented except those contradictory to the Lima Declaration.

42. **Mr. García Revilla** (Peru) said that the outcome of the informal working group on the future, including programmes and resources, of UNIDO was not in the same category as the Lima Declaration, a ministerial document with strong political content, which would be a landmark for the future of UNIDO. He therefore suggested that the two should be mentioned separately in the draft decision.

43. **The Chair** suggested dividing the various elements of paragraph (e) into separate clauses.

44. **Mr. Uskov** (Russian Federation) said that the reference to the Lima Declaration should be followed by the recommendations of the latest comprehensive policy review of operational activities for development and only then by the recommendations of the outcome document of the informal working group. The policy review, which related to the whole United Nations system, should take precedence over the UNIDO outcome document.

45. **Mr. Schmiedchen** (Germany) said that none of the other recommendations were on the same level as the Lima Declaration. He suggested that the text following the reference to the Lima Declaration should become a new paragraph.

46. *The draft decision on item 12 entitled "Medium-term programme framework" contained in document GC.15/CRP.2, subject to the various amendments indicated above, was adopted for recommendation to the plenary.*

Personnel matters, including UNIDO Staff Pension Committee (GC.15/CRP.2; IDB.41/19; IDB.41/Dec.15)

47. *The draft decision on item 19 in document GC.15/CRP.2 was adopted for recommendation to the plenary.*

Outcome document of the informal working group on the future, including programmes and resources of UNIDO entitled "Strategic Guidance Document" (GC.15/CRP.2; IDB.41/24)

48. **The Chair** said that the draft decision entitled "Strategic Guidance Document", contained in chapter II.B of document GC.15/CRP.2, had been submitted by the delegations of Costa Rica and Switzerland.

49. **Mr. Matter** (Switzerland) said that the draft decision was the product of long discussions which had also provided the basis for Industrial Development Board decision IDB.41/Dec.14 and, indeed, for the Lima Declaration itself. The draft resolution contained a number of operational recommendations that might be too technical for inclusion in the Lima Declaration.

50. **Mr. Saenz** (Costa Rica) said that, as a product of the informal working group on the future, including programmes and resources, of UNIDO, the draft echoed the request in decision IDB.41/Dec.14 that the Director General should take account of the "Strategic Guidance Document" as a contribution to the medium-term programme framework.

51. **Mr. Schmiedchen** (Germany) said that his delegation supported the draft decision, especially paragraph (c), which endorsed "the recommendations contained in paragraphs 11 to 18 of the 'Strategic Guidance Document'".

52. **Ms. Polo Flórez** (Colombia), speaking on behalf of the Group of 77 and China, endorsed the draft decision and wished to co-sponsor it. Speaking on behalf of Colombia, she suggested an amendment to clarify what the recommendations contained in paragraphs 11 to 18 of the "Strategic Guidance Document" were. She suggested the following text:

> "(c) Endorses the management criteria and recommendations contained in the 'Strategic Guidance Document' and requests the Director General to report on its implementation."

53. **Mr. Schmiedchen** (Germany) said that the words "in paragraphs 11 to 18" were important. His delegation could only support those paragraphs of the "Strategic Guidance Document". Alternatively, the wording "the recommendations relating to management criteria" could be used.

54. **Ms. Polo Flórez** (Colombia) thought that, since paragraphs 11 to 18 were those concerning management criteria, the reference to the paragraph numbers was unnecessary.

55. **Mr. Matter** (Switzerland) suggested that the words "its implementation" in the proposed amendment should be replaced by the words "their implementation".

56. *It was so agreed.*

57. *The draft decision on the "Strategic Guidance Document", as amended, was adopted for recommendation to the plenary.*

UNIDO activities related to energy and the environment (GC.15/5 and GC.15/6; GC.15/CRP.2)

58. **Mr. Zholamanov** (Kazakhstan), introducing the draft resolution entitled "Partnerships for inclusive and sustainable industrial development" in document GC.15/CRP.2, said that Belarus, the Russian Federation, Ukraine and the Group of 77 and China had become sponsors of the draft resolution.

59. A number of amendments had been suggested, following informal consultations. In the title, the phrase "Partnerships for" should be replaced by the phrase "Partnerships towards", for consistency with the Lima Declaration. Similarly, the word "towards" should replace the words "with a view to" in operative paragraph (a), the word "towards" should replace the word "on" in paragraph (b) and the phrase "in order to promote" in paragraph (c) should be replaced by the phrase "towards promoting". In the first line of the fourth preambular paragraph, the words "and green" should be deleted, and in operative paragraph (c) the word "green" should be replaced by the word "sustainable". Also in paragraph (c), the word "should" in the second sentence should be replaced by the word "may" and the phrase "such as" should be replaced by the words "among others".

60. **Ms. Mabitje-Thompson** (South Africa) proposed the addition in the first sentence of operative paragraph (c), after the words "inclusive and sustainable industrial development", of the words "to support production of green equipment and energy-saving technologies in developing countries".

61. **The Chair** wished to ask first whether there were any objections to the changes proposed by the representative of Kazakhstan.

62. **Ms. Mabitje-Thompson** (South Africa) said that she could agree to all those changes.

63. **Mr. Zholamanov** (Kazakhstan) suggested that the wording proposed by South Africa should be amended to read "inter alia, through support of production of green equipment and energy-saving technologies" and placed at the end of the sentence. Otherwise, the text might be misunderstood.

64. **Mr. Chemakh** (Algeria) supported the changes suggested.

65. **Mr. Deleuze** (Bolivarian Republic of Venezuela) said that he preferred the original text.

66. **Mr. Zholamanov** (Kazakhstan) reminded delegations that the original text had been the result of extensive informal consultations in Vienna.

67. **Mr. Uskov** (Russian Federation) thought that, in the interests of consensus, the text could be left in the form originally submitted.

68. **Mr. Radosztics** (Austria) said that Austria was flexible, but that the amendments proposed by South Africa referred to two specific things which were not the only factors leading to sustainable economic growth. It would be preferable to maintain the generic nature of the text. If the text was to refer to specific areas, the list should be comprehensive.

69. **Ms. Mabitje-Thompson** (South Africa) said it was true that the original text had been discussed informally in Vienna; however, she considered that, taking into account the mandate of UNIDO and the Lima Declaration, a discussion of sustainable economic growth in developing countries should include a reference to the production of energy-saving equipment and technologies.

70. **The Chair** suggested that interested delegations should hold informal consultations to try to arrive at a consensus.

71. He invited the Committee to turn to the second draft resolution under item 15 in chapter II.B of document GC.15/CRP.2 — namely, the draft entitled "UNIDO activities in energy and environment" submitted by the European Union (EU).

72. **Ms. Wrona** (Poland), introducing the draft resolution on behalf of the EU, said that UNIDO activities in energy and environment had accounted for 46 per cent of overall technical cooperation during the previous year and continued to attract by far the largest share of funding. UNIDO was thus contributing actively towards the Millennium Development Goals (MDGs), in particular Goal 7 on environmental sustainability, and the post-2015 development agenda. The Organization's endorsement of inclusive and sustainable industrial development in the Lima Declaration highlighted the relevance of UNIDO activities related to energy and environment. The EU recognized the positive initiatives carried out over the previous two years, and the draft resolution called for a results-based approach, with attention paid to the impact of those initiatives. In implementing projects on energy and environment, UNIDO should remain focused on its core mandate of industrial development. The draft resolution therefore concentrated on activities that were industry-related or served production or manufacturing uses. Lastly, UNIDO should work with Member States, the United Nations system and civil society to avoid duplication in the implementation of projects.

73. Over the previous two weeks the EU had engaged in consultations with Member States with regard to the draft resolution, and she thanked those Member States for their input. The EU had some changes to the text to propose. She was also happy to announce that the current text was co-sponsored by Ukraine and Switzerland.

74. **The Chair** asked what the changes proposed were.

75. **Mr. Colapinto** (Italy), speaking on behalf of the EU, said it was proposed that the first preambular paragraph should begin: "Considering the importance of progress towards the achievement of ...".

76. The second preambular paragraph should begin: "Acknowledging the necessity of appropriate consideration of the global commitment towards the achievement of inclusive and sustainable industrial development ...". That would align the language more closely with the language used in the Lima Declaration.

77. In the twelfth preambular paragraph, the phrase "particularly in middle-income countries" should be

deleted. The view had been expressed that the initiatives mentioned were useful for all Member States and that the paragraph should remain as general as possible. Moreover, there was another draft resolution relating specifically to middle-income countries.

78. In operative paragraph (e), the words "in line with" should be replaced by the words "while searching for possible synergies with existing regional initiatives, as, inter alia,". It was important to emphasize the need to seek synergies and partnerships, as pointed out in various statements made over the previous two days. Such partnerships included regional initiatives such as those referred to in the draft resolution submitted by Kazakhstan. The EU supported regional initiatives in energy and environment that were consistent with the mandate of UNIDO.

79. In operative paragraph (f), the phrase "in the Southern and Eastern partnership regions of the European Union" should be deleted and the words "in line with" in the fourth line should be replaced by ", as, for example,". Similar programmes existed in other regions and the paragraph should be made more general.

80. A new paragraph should be inserted under paragraph (j) reading: "To continue and strengthen UNIDO's active participation in the Global Mercury Partnership, in particular activities in artisanal gold mining and industrial applications". That would highlight the importance of UNIDO activities in the control of mercury pollution, which were funded primarily by the Global Environment Facility (GEF).

81. **The Chair** said that the first preambular paragraph might read better if it began: "Considering the importance of making progress towards ...". In operative paragraph (f), he suggested the wording "... expanding the application of the TEST methodology to other environmental hot spots in line with similar regional programmes including, for example, the European Union's SWITCH programme ...".

82. **Mr. Colapinto** (Italy), speaking on behalf of the EU, supported those changes.

The meeting rose at 1.33 p.m.

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Summary record of the 2nd meeting
Held at the Westin Lima Hotel and Convention Center, Lima, on Tuesday, 3 December 2013, at 3.45 p.m.

Chair: Mr. Brennan ..... (Ireland)

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The meeting was called to order at 3.45 p.m.

UNIDO activities related to energy and the environment (*continued*) (GC.15/5 and GC.15/6; GC.15/CRP.2)

1. **The Chair** said that the Committee would first resume its discussion of the draft resolution submitted by Kazakhstan, entitled "Partnerships for inclusive and sustainable industrial development" (GC.15/CRP.2, chap. II.B), on which consensus had been sought in informal consultations.

2. **Mr. Zholamanov** (Kazakhstan) said that the delegations had reached a consensus. He would pass the floor to the representative of South Africa to read out the amendments, which he understood would be acceptable to the representative of the Bolivarian Republic of Venezuela.

3. **Ms. Mabitje-Thompson** (South Africa), introducing the proposed amendments to the draft resolution entitled "Partnerships for inclusive and sustainable industrial development", said that it had been agreed to move the new text that she had proposed for operative paragraph (c) to the end of the first sentence. It had also been agreed to use the wording "sustainable energy equipment and technologies", so that the sentence would read "To enhance cooperation with regional and cross-regional partnerships, involving all relevant stakeholders, in order to promote inclusive and sustainable industrial development, overcoming the prevailing development challenges and leading to green economic growth in developing countries, inter alia, through support of production of sustainable energy equipment and technologies in developing countries".

4. **The Chair** suggested that, in order to allow time for study of the proposed amendment, the Committee should proceed to consideration of the results of consultations that had been held between the delegation of Kazakhstan and the Office of Legal Affairs of the UNIDO Secretariat.

5. **Mr. Moradi** (Legal Adviser) said that he wished to suggest two new paragraphs for consideration by the Committee.

6. The first was a new preambular paragraph, which could appear as the first preambular paragraph of the draft resolution: "Recalling Article 19 of the Constitution, and its decision GC.1/Dec.41 of 12 December 1985, entitled 'Guidelines for the relationship of UNIDO with intergovernmental, governmental, non-governmental and other organizations'".

7. The second was a new operative paragraph that could become operative paragraph (d): "To ensure that any partnership under this resolution is carried out in accordance with the legal framework of the Organization".

8. Explaining the rationale for the two additional paragraphs, he said that there were guidelines attached to General Conference decision GC.1/Dec.41 of 12 December 1985, which required the Secretariat to ensure that any entity wishing to establish a partnership or relationship with UNIDO had good credentials. Article 19 of the Constitution of UNIDO, under which it was the prerogative of the Board to approve or disapprove relationship agreements between UNIDO and other organizations, should also be taken into account.

9. He sought clarification from the delegate of Kazakhstan about the meaning of regional and cross-regional partnerships in operative paragraph (c); he would also appreciate an explanation about the background to the Green Bridge Partnership Programme and the Green Industry Platform.

10. **Mr. Zholamanov** (Kazakhstan) said that, in order to reach consensus more quickly, Kazakhstan had adopted the language used in the Lima Declaration, which also referred to regional and cross-regional partnerships. Some partnerships were purely regional whereas others were cross-regional, for example between Europe and Asia or Europe and Africa. The Green Bridge Partnership Programme had been endorsed by the United Nations Economic Commission for Europe and the United Nations Economic and Social Commission for Asia and the Pacific. It was a partnership that was devoted to bringing green technologies from developed to developing countries to find a solution to common development constraints.

11. **The Chair** asked whether the amendments proposed were acceptable.

12. **Mr. Swaminathan** (India) said that it was unclear what was meant by "sustainable energy equipment" and "sustainable technology". Such terms

might not be widely understood. It might be preferable to replace the word "sustainable" with the word "renewable".

13. **Ms. Gopal** (Malaysia) requested that the Secretariat distribute the amended text for consideration by all delegations.

14. **The Chair** suggested that consideration of the draft resolution on partnerships for inclusive and sustainable industrial development should be suspended and that the Committee should resume consideration of the draft resolution submitted by the European Union (EU), entitled "UNIDO activities in energy and environment" (GC.15/CRP.2, chap. II.B).

15. **Mr. Swaminathan** (India) said that it would be better to bring the language used in the first preambular paragraph more into line with the Lima Declaration. He proposed the wording "Considering the importance of the Lima Declaration: Towards inclusive and sustainable industrial development for sustained economic growth".

16. He also proposed replacing the words "inclusive and sustainable industrial development" by the words "industrial development" in the second preambular paragraph. The Committee should not be too prescriptive regarding the intergovernmental process for defining the post-2015 development agenda. There was no acceptable definition of "inclusive and sustainable industrial development". The idea in the post-2015 development framework was that there would be defined, universal goals. In that context, it would be difficult to have a universal goal of inclusive and sustainable industrial development.

17. Concerning the amendment to the twelfth preambular paragraph, it would be better to keep to the language that was used in the High-Level Conference of Middle-Income Countries that had been held in Costa Rica in 2013, which referred to "international industrial cooperation" and made no mention of "sustainable industrial development". The end of the paragraph should read: "... offer an effective instrument for strengthening international industrial cooperation".

18. **Mr. Uskov** (Russian Federation) said that he had reservations about the eleventh preambular paragraph and the sentence "the activities undertaken by UNIDO to develop the Green Industry Initiative as an integral part of the Green Economy". The term "green economy" was not a universally agreed United Nations term. He suggested deleting the reference to the "Green Economy" or placing it in brackets.

19. **Ms. Algabre** (Philippines) said that her delegation wished to co-sponsor the draft resolution submitted by the EU. She requested that the term "Senior Officials" be replaced by "Ministerial Officials" in the fourteenth preambular paragraph. The meetings had in fact been attended by ministers.

20. **The Chair** said that he wished to hear comments on the proposal made by the representative of India with regard to the first preambular paragraph. It was proposed that the wording "Considering the importance of the Lima Declaration: Towards inclusive and sustainable industrial development for sustained economic growth" should be used. He assumed that the reference to "poverty eradication" would be retained.

21. **Mr. Colapinto** (Italy), speaking on behalf of the EU, requested that the first preambular paragraph should be kept as it was in the original proposal. He accepted the proposals made by India with regard to the second and twelfth preambular paragraphs.

22. **Mr. Akcal** (France) fully supported the draft resolution submitted by the EU and the proposals of the Italian delegation.

23. **The Chair** said that, if he heard no objection, he would take it that the Committee wished to adopt the first, second and twelfth preambular paragraphs as amended.

24. *It was so decided.*

25. **The Chair** asked for the Committee's views on the proposal made by the Russian Federation to remove the reference to the "Green Economy" from the eleventh preambular paragraph.

26. **Ms. Wrona** (Poland), speaking on behalf of the EU, said that the eleventh preambular paragraph was a literal repetition of a paragraph included in General Conference resolution GC.14/Res.4. The Rio+20 Conference had recognized the green economy as a vehicle for achieving sustainable development and poverty eradication. UNIDO had been promoting the Green Industry Initiative and it was a very relevant part of the green economy initiative. The EU urged the Russian Federation to consider accepting the reference in the interests of reaching a consensus.

27. **Mr. Uskov** (Russian Federation) said that the green economy was not a universally accepted term and the Rio+20 document was not a United Nations document. The Russian Federation regretted that the term had been used by the General Conference at its last session. Deleting the term would not jeopardize any initiatives or actions of UNIDO within the field of green industry, and it was divisive. For the sake of reaching a compromise he asked the representative of Poland to consider the removal of the term and allow a more inclusive approach.

28. **Ms. Wrona** (Poland), speaking on behalf of the EU, proposed that the text should be kept in brackets and returned to at a later stage.

29. **The Chair** asked whether the Russian Federation had other proposals for amendments to the draft resolution.

30. **Mr. Uskov** (Russian Federation) said that he did not; he agreed with the proposals made by the delegations of India and Italy with regard to the first two preambular paragraphs.

31. **Mr. Hannan** (Bangladesh) said that he was not sure what was meant by the term "environmental quality" in the sixth preambular paragraph. In addition, the meaning of "simultaneous pursuit of ... environmental quality" was unclear. He proposed replacing the word "quality" by the word "protection", the words "economic prosperity" by the words "economic growth", and the words "social equity" by the words "social development". The word "inclusive" should also be added before "economic growth." That was the language that had been used in the Rio+20 documents. He did not understand the meaning of the phrase "the potential to cut the employment gap" in the seventh preambular paragraph, and would prefer a more direct expression, such as "to generate employment".

32. **Mr. Colapinto** (Italy), speaking on behalf of the EU, said that the amendments proposed by Bangladesh for the sixth and seventh preambular paragraphs were acceptable.

33. **Mr. Deleuze** (Bolivarian Republic of Venezuela) agreed with the Russian Federation that the reference to the "Green Economy" in the eleventh preambular paragraph should be deleted, as the terms "green industry" and "green economy", were ill-defined and were not accepted by all Member States; they were problematic for his delegation also.

34. **The Chair** proposed that the meeting be suspended in order to allow for informal consultations.

35. *It was so agreed.*

The meeting was suspended at 4.40 p.m. and resumed at 4.55 p.m.

36. **Mr. Colapinto** (Italy), speaking on behalf of the EU, said that agreement had been reached on the eleventh preambular paragraph, which would read: "*Taking note also* of the activities undertaken by UNIDO to develop the Green Industry Initiative as an integral part of sustainable development in its three dimensions".

37. **The Chair** said that, if he heard no objection, he would take it that the Committee approved the amended version of the preambular paragraph.

38. *It was so decided.*

39. **The Chair** recalled that only one outstanding issue remained with regard to the preamble, namely that raised by the delegation of the Philippines, which had proposed that the words "Senior Officials" be replaced with the word "Ministerial Officials" in the fourteenth preambular paragraph. He suggested that the phrase "Senior Government Officials Meeting" be used, as that phrase had already been used in UNIDO publications with reference to the green industry conferences.

40. **Ms. Algabre** (Philippines) said that her delegation had initially proposed the word "ministerial" because it had felt that there was a substantial difference between senior officials and ministers, the former ranking below the latter. It was her delegation's understanding that the meetings had been held at the ministerial level in order to lend the issue greater political significance. However, if that wording was not acceptable, her delegation could accept simply "meetings on Green Industry".

41. **The Chair** said that, if he heard no objection, he would take it that the Committee wished to accept the wording "meetings on Green Industry" and to approve the preambular paragraphs as amended in their entirety.

42. *It was so agreed.*

43. **The Chair** invited comments on the operative paragraphs of the draft resolution.

44. **Mr. Deleuze** (Bolivarian Republic of Venezuela), referring to operative paragraph (d), said that while his delegation was generally in agreement with the wording of that paragraph, it wished to propose the addition of the words "and other community-based entities" following the words "the private sector and academia" to reflect the direct involvement of communities in production and manufacturing processes in his country and in other countries in which those processes were being developed.

45. **The Chair** suggested that the meeting be suspended again in order to provide delegations with an opportunity to discuss the proposal made and any other issues arising from the operative paragraphs of the draft resolution.

46. **Mr. Chemakh** (Algeria) asked whether any decision had been reached with regard to the amendments to the draft resolution on partnerships for inclusive and sustainable industrial development, under the same agenda item, and whether that text would be discussed before the meeting was suspended.

47. **Mr. Zholamanov** (Kazakhstan) said that consensus had been reached on a revised version of the draft text, which was ready to be discussed further.

48. **Ms. Pereira** (Bolivarian Republic of Venezuela), introducing the amendments made, said that the text of operative paragraph (c) of the draft resolution would read: "To enhance cooperation with regional and cross-regional partnerships, involving all relevant stakeholders, towards promoting inclusive and sustainable industrial development, overcoming the prevailing development challenges, leading to sustainable economic growth in developing countries, inter alia, through supporting development of sustainable energy and energy-saving technologies in developing countries. These partnerships may include, inter alia, governments, international organizations, representatives of the public and private sectors, financial institutions, academia and civil society, encompassing North-South, South-South, triangular and multilateral cooperation including specific platforms, such as the Green Bridge Partnership Programme and the Green Industry Platform."

49. **The Chair** said that, if he heard no objection, he would take it that the Committee approved the revised text.

50. *It was so agreed.*

51. **The Chair** invited the Committee to resume its consideration of the additional text proposed following consultation between the delegation of Kazakhstan and the Office of Legal Affairs, and asked whether that text, and the amended draft resolution as a whole, was acceptable to the Committee.

52. *The draft resolution entitled "Partnerships towards inclusive and sustainable industrial development", as amended, was adopted for recommendation to the plenary.*

53. **The Chair** suggested that the Committee suspend its meeting once again in order to resolve, through informal consultations, any remaining difficulties with regard to the draft resolution on UNIDO activities in energy and environment, submitted by the EU.

54. **Ms. Manyonga** (Zimbabwe) said that if consultations were necessary with regard to all operative paragraphs, it would be more helpful to know, before suspending the meeting, what concerns had arisen and what proposals were being made, in order to make the consultations more efficient and productive.

55. **The Chair** invited the Committee to resume its consideration of the operative paragraphs of the draft resolution.

56. **Ms. Mabitje-Thompson** (South Africa) proposed that operative paragraph (b) be amended to read "To foster, in line with national needs and priorities, transfer of know-how and production of adequate technologies in the field of energy efficiency in industrial processes and renewable energies for industrial application and uses, particularly in developing countries".

57. **Mr. Uskov** (Russian Federation) requested clarification as to what was meant by "production of adequate technologies".

58. **The Chair** said that the delegation of South Africa should provide that clarification in informal consultations.

59. **Ms. Wrona** (Poland), speaking on behalf of the EU, proposed that the words "private sector" in

operative paragraph (d) be replaced with the words "productive sector" instead of the addition of the words "and other community-based entities" as proposed by the delegation of the Bolivarian Republic of Venezuela. That would address the concerns raised by that delegation.

60. **Mr. Gonzalez Jaramillo** (Ecuador) said that his delegation supported the proposal made by the delegation of the Bolivarian Republic of Venezuela, since the words "other new forms of community-based entities" had been agreed upon in paragraph 7 of the Lima Declaration on the basis of a proposal made by his delegation. Since the Lima Declaration had already been adopted and was the most important outcome of the fifteenth session of the General Conference, that wording should be incorporated in the draft resolution.

61. **Ms. Wrona** (Poland), speaking on behalf of the EU, said that while her delegation agreed that it was important to encourage UNIDO to build partnerships with community-based entities, the inclusion of a reference to such entities in operative paragraph (d) might be inappropriate, since the Green Industry Platform was a very specific instrument. The words "global partnerships between national governments, the private sector and academia" referred to existing partnerships between members of the Platform. The imposition of an additional obligation on UNIDO to strengthen partnerships with community-based entities within the framework of the Platform could cause the Secretariat problems in putting that idea into practice. The representatives of the EU had therefore worked with the delegation of the Bolivarian Republic of Venezuela to formulate the consensual language proposed; the term "productive sector" allowed for the possible future participation of community-based entities in the Platform.

62. **Mr. Gonzalez Jaramillo** (Ecuador) said that, since the delegation of the Bolivarian Republic of Venezuela had agreed to that wording, his delegation could likewise accept it.

63. **Mr. Swaminathan** (India) said that the introduction of terms that might not be widely understood, such as "productive sector", should ideally be avoided. However, he was willing to join the consensus on that language.

64. **Mr. Uskov** (Russian Federation), referring to operative paragraphs (e) and (f), said that while his delegation recognized the important role of the EU as an influential and major partner and the value of its intellectual inputs into the text of the draft resolution, it felt that the wording of those paragraphs placed emphasis on specific EU programmes and initiatives rather than on the UNIDO programmes referred to, angling the draft resolution to focus on a single group of Member States and thus narrowing its scope. He therefore proposed that the words "UNIDO's Resource Efficient and Cleaner Production (RECP) Programme" in paragraph (e) should be followed with the words ", in line with existing regional initiatives", in order to reflect the fact that there were many initiatives around the world similar to that of the EU — although his delegation recognized the importance of those parts of the EU initiative concerning the international development agenda — and thus to make the text more general. His delegation was willing, in recognition of the financial and intellectual input of the EU and in a spirit of compromise, to accept the reference to "the European Union's SWITCH programme" in operative paragraph (f), particularly since that programme was linked more directly to UNIDO activities. However, he proposed that the text following "other environmental hot spots" should be amended to read "taking note of similar regional programmes, including inter alia the European Union's SWITCH programme on the promotion and adoption of sustainable production and consumption patterns". His delegation was ready to discuss both proposals with the EU delegation in informal consultations.

65. **Ms. Manyonga** (Zimbabwe) expressed support for the comments made by the representative of the Russian Federation.

66. **Ms. Wrona** (Poland), speaking on behalf of the EU, said that considerable efforts had already been made in informal consultations to modify the two paragraphs in such a way as to make clear that the text was not intended to be exclusive by referring only to EU initiatives but, rather, to invite and encourage UNIDO to search for possible synergies and opportunities for cooperation and to further strengthen its cooperation in the implementation of initiatives similar to those that it itself was already implementing. While the Russian Federation was correct to point out that there were various relevant initiatives other than that of the EU, and her delegation had been willing to reflect that fact in the amended draft text, no proposals had been put forward during the informal

consultations; consequently, the text had been left unchanged. Since the language of both paragraphs had already been softened, her delegation wished to retain the amended wording. She added that the text was intended not only to indicate scope for cooperation but also funding possibilities offered by the initiatives referred to. The budget of the SWITCH programme was more than 150 million euros in Asia and more than 50 projects had been implemented in 2012. Since the UNIDO programme on the transfer of environmentally sound technologies (TEST) was in line with the SWITCH programme, it would be logical for UNIDO and the EU to work together to implement projects and avoid duplications. Moreover, that partnership idea was strongly supported by the Director General. The same applied to the "resource-efficient Europe" initiative, which, as one of seven flagship initiatives aimed at promoting sustainable and inclusive growth, addressed the same challenges as the UNIDO Resource Efficient and Cleaner Production (RECP) Programme. While it was true that that initiative provided a framework for the EU countries, it also called for broad international cooperation in the area of resource efficiency as a means of exchanging knowledge, skills, technology and best practices. By inviting UNIDO to deepen its collaboration with the EU in the area of resource efficiency, it was hoped that the draft resolution would result in the development of joint projects in the future. She asked whether the delegation of the Russian Federation could accept, in paragraph (e), language similar to that proposed in paragraph (f), i.e. the use of the words "including, inter alia" and the deletion of reference to a "flagship initiative of the Europe 2020 Strategy".

67. **Mr. Uskov** (Russian Federation), welcoming the flexibility demonstrated by the EU, said that his delegation would like to discuss the precise formulation of the two paragraphs in informal consultations with interested Member States.

68. **The Chair** invited the Committee to move on to consideration of the remaining operative paragraphs.

69. **Mr. Chemakh** (Algeria) said that the term "transition economies" in operative paragraph (g) should be used instead of "transition countries", since the former was the language commonly used.

70. **Mr. Colapinto** (Italy), speaking on behalf of the EU, proposed use of the term "economies in transition"; the draft paragraph would thus read: "the access of developing countries and economies in transition".

71. **The Chair** said that, if he heard no objection, he would take it that the proposed amendment to operative paragraph (g) was acceptable to the Committee.

72. *It was so agreed.*

73. **The Chair** invited comments on the remaining operative paragraphs.

74. **Mr. Sa Pires Filho** (Brazil) said that some concerns had been raised with regard to the reference, in paragraph (i), to international standards of industrial energy efficiency. Since that paragraph was linked to the tenth preambular paragraph, it should make clear which standards were being referred to, in order to avoid leaving the text open to interpretation.

75. **Mr. Colapinto** (Italy), speaking on behalf of the EU, said that a new formulation could be drafted in informal consultations in order to address that concern. In the meantime, by way of clarification of the text of paragraph (i), he drew attention to the fact that energy management system standards, including ISO 50001, were already referred to in document GC.15/5 on UNIDO activities related to energy. Paragraph (i) was therefore intended simply to mirror the reference to those standards in the tenth preambular paragraph.

76. **The Chair** invited the Committee to consider the new paragraph proposed for insertion following paragraph (j).

77. **Mr. Uskov** (Russian Federation) and **Mr. Deleuze** (Bolivarian Republic of Venezuela) requested more time to consult their capitals with regard to the proposed text.

78. **Mr. Matter** (Switzerland) said that delegations, when reflecting on the proposed text for the paragraph, should take into account the language of paragraphs 12 and 13 of document GC.15/6 on UNIDO activities related to the environment, which provided a basic explanation of the Global Mercury Partnership and the role of UNIDO in the management and reduction of mercury.

79. **The Chair** suggested that, unless there were comments on the final operative paragraph (k), the Committee adjourn its meeting in order to allow for informal consultations on operative paragraphs (b), (e),

(f) and (i) and to allow delegations to consult with their capitals on the proposed new paragraph to follow operative paragraph (j).

80. *It was so agreed.*

The meeting rose at 5.50 p.m.

United Nations Industrial Development Organization

Distr.: General
17 January 2014

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General Conference
Fifteenth session
Main Committee

Summary record of the third meeting
Held at the Westin Lima Hotel and Convention Center, Lima, on Wednesday, 4 December 2013, at 10.15 a.m.

Chair: Mr. Brennan ..... (Ireland)

Contents

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15	UNIDO activities related to energy and the environment (*continued*)	1-26
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Please recycle

The meeting was called to order at 10.25 a.m.

UNIDO activities related to energy and the environment (*continued*) (GC.15/5 and GC.15/6; GC.15/CRP.2)

1. **Mr. Colapinto** (Italy), speaking on behalf of the European Union (EU), said that a number of amendments to the draft resolution submitted by the EU had been agreed upon during informal consultations. Operative paragraph (b) would be amended to read: "To foster, in line with national needs and priorities, transfer of know-how, technology transfer on mutually agreed terms, including manufacturing capabilities in the fields of energy efficiency in industrial processes and renewable energies for industrial application and uses particularly in developing countries".

2. Operative paragraph (e) would be amended to read: "To strengthen the implementation of UNIDO's Resource Efficient and Cleaner Production (RECP) Programme, while searching for possible synergies with existing regional initiatives, such as, inter alia, "A resource-efficient Europe" initiative, and in this regard to expand membership of the global network of Resource Efficient and Cleaner Production Centres (RECPnet)".

3. In operative paragraph (f), the words "in the Southern and Eastern partnership regions of the European Union" were to be deleted and the words "in line with" would be replaced by the phrase "taking note of similar regional programmes, including inter alia".

4. In operative paragraph (i), the words "energy management" would be inserted before the word "standards".

5. **The Chair** said that, if he heard no objection, he would take it that the Committee wished to adopt the amendments proposed.

6. *It was so decided.*

7. **Mr. Colapinto** (Italy), speaking on behalf of the EU, asked whether the delegations of the Russian Federation and the Bolivarian Republic of Venezuela had received instructions from their respective capitals in relation to the proposed new paragraph, concerning the Global Mercury Partnership, to follow operative paragraph (j).

8. **Mr. Uskov** (Russian Federation) said that his delegation could accept the proposal provided that the part of the paragraph following the word "Partnership" be deleted, since the fact that the Partnership concerned artisanal gold mining and industrial applications rendered that part of the text redundant.

9. **Ms. Pereira** (Bolivarian Republic of Venezuela) said that her delegation accepted the proposed paragraph but suggested that the words "To continue and strengthen" be replaced with the words "To work on".

10. **Mr. Uskov** (Russian Federation) expressed support for that proposal.

11. **Mr. Colapinto** (Italy), speaking on behalf of the EU, requested that the meeting be suspended to allow for consultations between the co-sponsors in relation to the proposal made by the representative of the Bolivarian Republic of Venezuela.

The meeting was suspended at 10.35 a.m. and resumed at 10.40 a.m.

12. **Mr. Colapinto** (Italy), speaking on behalf of the EU, said it was agreed that the proposed paragraph would be amended to read: "To continue UNIDO's active participation in the Global Mercury Partnership".

13. **The Chair** said he took it that the Committee wished to accept the text of the new paragraph as amended.

14. *It was so decided.*

15. **The Chair** invited further comments on the draft resolution.

16. **Mr. Chemakh** (Algeria) sought clarification as to whether the words "national needs" in operative paragraph (b) meant recipients' needs.

17. **Ms. Wrona** (Poland), speaking on behalf of the EU, confirmed that the words "national needs" meant the national needs of recipient countries.

18. **Mr. Chemakh** (Algeria) proposed that the word "recipients'" be inserted before the word "national".

19. After some discussion, **Mr. Colapinto** (Italy), speaking on behalf of the EU, said that, while he understood the rationale for the proposed amendment, compromises had already been made in order to

achieve balance and the idea of "recipient countries" was already implied in operative paragraph (b).

20. **Mr. Chemakh** (Algeria) said that, in that light, he withdrew his proposal.

21. **The Chair** invited the Committee to consider the remaining paragraphs of the draft resolution.

22. **Mr. Savunov** (Belarus) proposed that the words "countries with" be inserted before the words "economies in transition" in the fifteenth preambular paragraph. If that wording was acceptable to the Committee, the term "transition countries" in the ninth and sixteenth preambular paragraphs and in operative paragraph (g) should be adjusted accordingly, for the sake of consistency.

23. **Ms. Krois** (European Union) said that her delegation would support the use of the phrase "developing countries and those with economies in transition" throughout the text of the draft resolution.

24. **The Chair** said he took it that the Committee wished to accept the text of the draft resolution as a whole, as amended.

25. *The draft decision as a whole, as amended, was adopted for recommendation to the plenary.*

26. **Ms. Wrona** (Poland), speaking on behalf of the EU, announced that the delegations of Ukraine, Switzerland and the Philippines wished to be included among the sponsors of the draft resolution.

Lima Declaration and Plan of Action 2013 (*continued*)
(GC.15/13)

27. **Mr. García Revilla** (Peru) said that consensus had been reached in informal consultations on the text of the draft resolution entitled "UNIDO and the post-2015 United Nations development agenda negotiations" which he had introduced at the Committee's first meeting. A third preambular paragraph had been proposed by the delegation of Cuba, to read "*Taking note* of the ongoing discussions of the Open Working Group for the elaboration of the Sustainable Development Goals". The fifth preambular paragraph would now read "*Taking note* of UNIDO's active engagement in the ongoing process of elaboration of the post-2015 United Nations development agenda, working with the United Nations Secretary-General, to appropriately contribute to the deliberations of Member States related to the adoption of the post-2015 development agenda".

28. **The Chair** said that, if he heard no objection, he would take it that the Committee wished to adopt the text as amended.

29. *The draft resolution entitled "UNIDO and the post-2015 United Nations development agenda negotiations", as amended, was adopted for recommendation to the plenary.*

UNIDO activities related to the Vienna Ministerial Declaration and Plan of Action of the Least Developed Countries and to cooperation with middle-income countries (*continued*)
(GC.15/8 and GC.15/9; GC.15/CRP.2)

30. **The Chair** recalled that, at the Committee's first meeting, the representative of Ethiopia had introduced a draft resolution concerning the least developed countries (LDCs). A question had been asked as to whether the "Operational Strategy" referred to in the draft was the UNIDO LDC Strategy and Operational Plan, 2012-2020, mentioned in a resolution adopted at the previous session.

31. **Mr. Dionne** (Chief, UNIDO Africa Programme) said that it was. The strategy had three objectives: the targeting of communities, the conversion of commodities into products and the regional dimension of value chains.

32. *The draft resolution, entitled "Lima Ministerial Declaration for the Least Developed Countries", was adopted for recommendation to the plenary.*

33. **Mr. Saenz** (Costa Rica), introducing the draft resolution entitled "Industrial development in middle-income countries", which was contained in chapter II.B of document GC.15/CRP.2, said that, following the High-level Conference of the Middle-Income Countries convened in San José, Costa Rica, in June 2013, it was essential for the international community to acknowledge that the issue of industrial development in middle-income countries was an issue that needed to be addressed. Consensus had been reached in informal discussions on the text of the draft resolution and he wished to propose the following amendments: first, a new second preambular paragraph should be introduced, with the following wording: "*Welcoming* the adoption of the Lima Declaration: Towards inclusive and sustainable industrial development".

Secondly, the chapeau to operative paragraph 2 should be reworded to read "Without prejudice to the Organization's overall priorities and mandate, *invites* UNIDO to continue to work closely with middle income countries and to contribute to:". In paragraph 2 (c), the word "liaison" should be replaced by the word "dialogue", and paragraphs 2 (c) and 2 (d) should be combined. The phrase "various related processes" in what was currently paragraph 2 (d) should be replaced by the phrase "various relevant processes", and the phrase "country-specific inputs" should be replaced by the phrase "countries' inputs".

34. **Mr. Uskov** (Russian Federation) said that the number of middle-income countries changed depending on the methodology used. He therefore suggested that the number "97" in the first preambular paragraph should be replaced by the phrase "a significant number of".

35. *It was so agreed.*

36. **Ms. Algabre** (Philippines) said that her delegation wished to become a sponsor of the draft resolution.

37. *The draft resolution entitled "Industrial development in middle-income countries", as amended, was adopted for recommendation to the plenary.*

Date and place of the sixteenth session

38. **Ms. Singer** (Secretary of the Committee) said that, in accordance with the information provided in the annotated agenda (GC.15/1/Add.1), the dates of 30 November to 4 December 2015 had been scheduled tentatively for the sixteenth session in Vienna, and the M building of the Vienna International Centre had been reserved.

39. **The Chair** said that, if he heard no objection, he would take it that the Committee agreed that a draft decision to the effect that the sixteenth session should be held in Vienna from 30 November to 4 December 2015 should be recommended to the plenary.

40. *It was so decided.*

The meeting rose at 11.45 a.m.

United Nations Industrial Development Organization

Distr.: General
10 January 2014

Original: English

General Conference
Fifteenth session
Main Committee

Summary record of the 4th meeting
Held at the Westin Lima Hotel and Convention Center, Lima, on Wednesday, 4 December 2013, at 3.30 p.m.

Chair: Mr. Brennan.....(Ireland)

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Agenda item		*Paragraphs*
10	Financial matters	1-5
	(b) Financial situation of UNIDO	)

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V.13-88695 (E) 160114 170114

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The meeting was called to order at 3.08 p.m.

Financial matters

(b) Financial situation of UNIDO (GC.15/14; GC.15/CRP.1)

1. **The Chair** drew attention to the draft decision contained in paragraph 18 of document GC.15/14 concerning unutilized balances of appropriations. He invited comments.

2. **Mr. Choi** Kicheon (Republic of Korea) introduced the following new text for the draft decision, resulting from informal consultations:

"*The General Conference*:

"(a) Takes note of the distribution of document GC.15/14;

"(b) Underlines the necessity of strictly adhering to the provisions of the UNIDO Financial Regulations;

"(c) Recalls the Industrial Development Board decision entitled 'Programme and budgets, 2014-2015' (IDB.41/Dec.12) and that Member States approved the release of office space in order to reduce €1.2 million in operating costs (IDB.41/5/Add.1);

"(d) Acknowledges the request of the Director General of UNIDO to retain the aforementioned office space in order to strengthen the operations of the Organization;

"(e) Recalls that, according to the provisions of the Financial Regulations of UNIDO, the unutilized balances of appropriations should be returned to the Member States;

"(f) Decides, as an exceptional measure, without setting a precedent for the future work of the Organization, that from the amount of unutilized balances of appropriations due to Member States in 2014, remaining on 31 December 2013 and voluntarily renounced to the Organization, up to €1.2 million may be utilized to retain the office space in the biennium 2014-2015, if so allocated for this purpose by the Member State voluntarily renouncing its share of unutilized balances;

"(g) Decides also that all funds used to retain the office space shall be limited to the unutilized balances of appropriations due to Member States in 2014, remaining on 31 December 2013 and voluntarily renounced for this purpose by Member States, and shall be managed through a special account established for this purpose;

"(h) Encourages Member States to consider voluntarily renouncing their shares of the unutilized balances of appropriations in order to strengthen the programmes of UNIDO and/or to fund the retention of the aforementioned office space;

"(i) Requests the Director General to report to the Board at its forty-second and forty-third sessions, through the Programme and Budget Committee, on the implementation of the present decision."

3. **The Chair** invited comments on the draft decision.

4. **Mr Uskov** (Russian Federation) said that he particularly welcomed paragraph (b). The principle of strictly adhering to all financial regulations was a very important one.

5. *The draft decision on unutilized balances of appropriations, as revised, was adopted for recommendation to the plenary.*

The meeting rose at 3.25 p.m.